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LAWYER TESTIFIES IN VESCO HEARING

Vesco Investments Explained to Commission

[Article; San Jose, La Nacion, Spanish, 16 February 1973, p 4]

Acting as an individual and not as a representative of the law firm of Facio-Fournier-Canas, attorney Fernando Fournier Acuna appeared yesterday before the legislative commission investigating activities by Robert Vesco and Mutual Funds firms in this country. He said that Vesco "had only transferred 6 million dollars in additional capital to the Inter-American Capital firm which he has set up here. When this transfer was made, I no longer had any connections with Vesco and his associates; this was in August, and I did not take part."

Attorney Fournier made this statement after Dr Longino Soto Pacheco, a member of the investigating commission, said that according to the U.S. Securities and Exchange Commission's brief against Vesco and his associates, Vesco had attempted to transfer 60 million dollars to Costa Rica. These funds were originally in the custody of a New York bank, but were then transferred to the Bahamas.

When the same legislator asked him what procedure had been followed for transferring the 6 million dollars to Inter-American Capital in Costa Rica, attorney Fournier said he did not know. He said, "I did not take part in that operation."

Matters Covered by Professional Secrecy

In his preliminary remarks before the investigating commission, attorney Fernando Fournier Acuna said that he would be as helpful as possible when it came time to answer questions. "But as we all know," he said, "there are things which are covered by ethics or professional secrecy. I want to ask your indulgence in advance, because I may have to disappoint you. I have come here as Fernando Fournier, not as a representative of the law firm per se, and I feel that some of the partners are in a better position than I am to give you information concerning Mutual Funds."

He added, "There has never been a complete integration of the law firm because it has been impossible to find a formula for a fair distribution of income. Therefore each of us works for his own account, although for public purposes we use a joint name."

Held 42 Million Colones in His Account

Attorney Fournier Acuna recounted his early connections with Vesco's associates, leading to the establishment of the Inter-American Capital firm, "at a time when the name of Vesco didn't mean a thing. I was told that the sum was to be used for acquiring bonds of public institutions with repurchase rights, and they were asking my advice on this legal provision; in other words, for a legal opinion. It is common practice that a lawyer inspires confidence, and he is frequently entrusted with money by his clients, although in this case it was an unusual sum. At the moment I have deposited in my account the sum of 50,000 colones belonging to Francisco Curling, who lives in New York... but I repeat to you that that was the extent of my participation in the matter."

Law Firm Broke Relations With Vesco and Associates

At another point in his testimony, attorney Fournier Acuna said that "in his opinion, nothing in Vesco's activities in the country had been found to be immoral and illegal. Furthermore, a lawyer has the obligation to be anyone's lawyer, even a criminal's."

"After specific accusations by the SEC against Vesco began to leak out through the press, our name was in and out of the newspapers, and at a certain point we came to the conclusion that it would be best to break off all relations." In response to a question, attorney Fournier said, "The only thing attorney Rodrigo Oreamuno did was to clear up some unfinished business in connection with obtaining a passport for Vesco. This involved transactions with the Civil Registry, I think. That was the last thing the law firm was involved in."

No Connection With Latest Transactions

In response to a question from congressman Angel E. Solano Calderon, attorney Fournier Acuna said that no one in the law firm has had anything to do with the latest dealings Vesco is alleged to have had in the country. Answering another question, he said that the only lawyer he understood to be working for Vesco was attorney Rolando Soto. He then added, "I do not know for certain whether Vesco has made any investment in the San Cristobal firm. I understand that it was McAlpin, and I think that Capital Grows funds were used for the purpose."

Voluminous Documentation

At the conclusion of the session, the investigating commission approved a motion to invite attorney Rolando Soto, attorney Rodrigo Oreamuno B., and a

representative of the National Insurance Institute to appear. It also gave its approval for congressmen Dr Longino Soto Pacheco and attorney Edgar Arroyo Cordero to make a trip this Tuesday to New York and the Bahamas.

Congressman attorney Jenaro Valverde Marin handed over 225 pages of documents concerning the Vesco case to the commission. Valverde Marin said, "In our society, the laws do not protect us against these people, since legal red tape enables them to conceal everything. We do not know who the real owners of the companies they set up are, because in most cases the shares are made out to the bearer."

Fournier Explains Further Concerning Vesco

[Memorandum from attorney Fernando Fournier Acuna; San Jose, La Nacion, Spanish, 17 February 1973, p 2]

Attorney Fernando Fournier sent this memorandum yesterday:

Solely for the purpose of preventing incorrect interpretations from occurring in the future, I would like to clarify certain ideas in the relevant account published today in your newspaper concerning my appearance before the congressional commission investigating the Vesco case.

1. Congressman Dr Longino Soto asked me whether I knew how the Vesco group had gone about taking 60 million U.S. dollars from the Bahamas and bringing them to Costa Rica. I replied that I understood that the amount had been changed to 6 million U.S. dollars, but that I knew nothing about the procedure used for transferring the funds, since I had not taken part in the bank procedure followed for this purpose. At that time I had already given up my position as president of Inter-American Capital and had transferred the shares in the company originally subscribed by me when it was founded. However, the change in the board of directors had still not been recorded in the books, and as a result, during that period and for that reason, I still had to sign a few papers and documents. Consequently, out of respect for the truth, I would not be able to say that I had already at that time terminated all connections with Vesco's companies.

2. During the discussion of investments in bonds, I said that the sum of 42 million dollars deposited in the law firm's account was undoubtedly unusual. But that the practice of depositing money belonging to clients in lawyers' bank accounts was a quite common occurrence. In this connection I cited some examples which have no connection with the Vesco case, and among them was the case of my friend and client Francisco Curling, who several months ago sent me a deposit of 50,000 colones with which I was to buy some property in this city in his name.

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